Utah Department of Insurance Fraud Division

Insurance Fraud Overview

Armand Glick Director



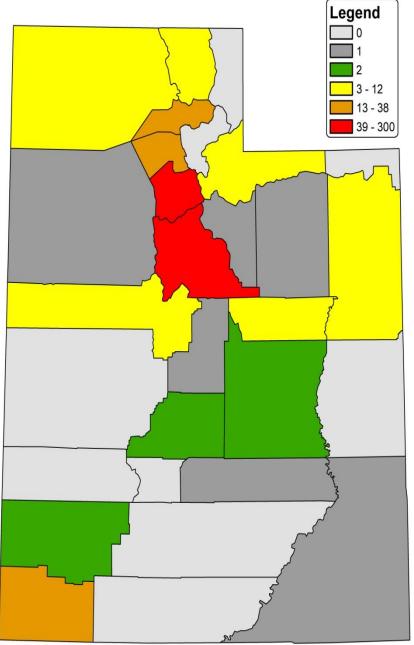
Insurance Fraud Division Staffing

- 11 Law Enforcement Special Function Investigators
- 3 Assistant Attorney Generals
- 2 Legal Secretaries
- 1 Information Specialist



Utah 2012 Questionable Claims by County



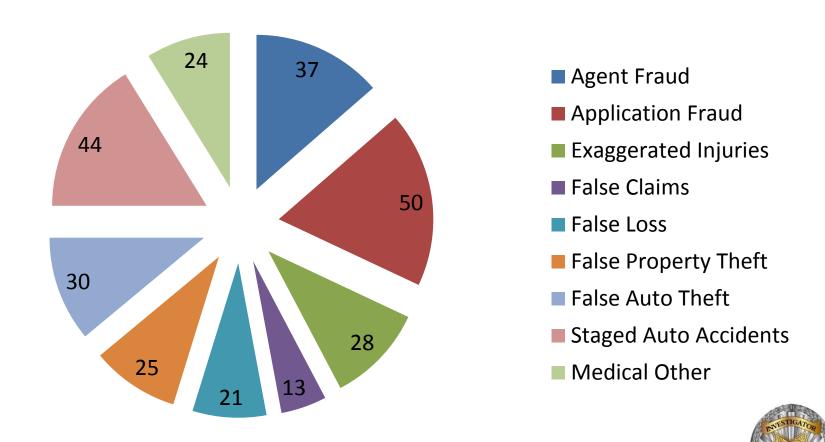


Investigation Diversity

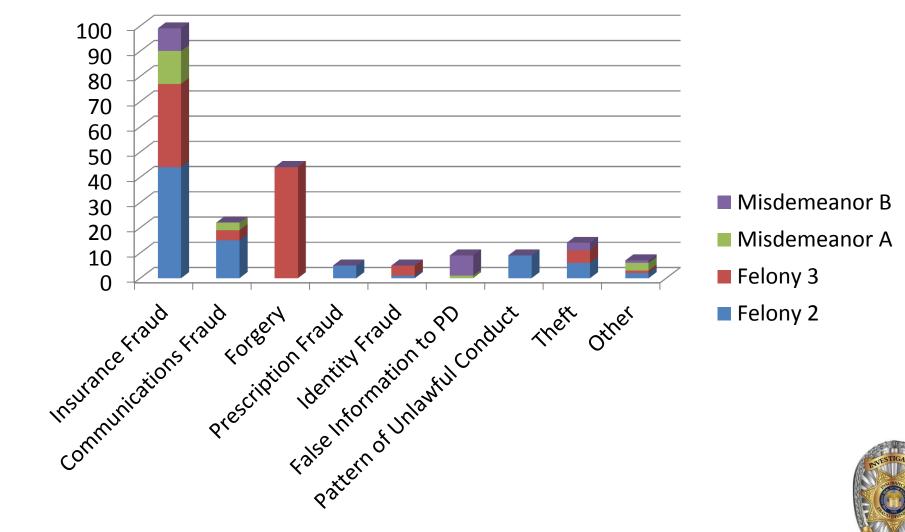
FY 2013 Total Referrals - 676			
Agent Fraud	43	False Property Theft	82
Application Fraud	60	False Auto Theft	35
Healthcare	29	Staged Collisions	7
Exaggerated Injuries	31	Vehicle Arson	5
Doctor Shopping	6	Inflated Loss/Damages	15
Prior Injuries	11	False Damages	16
Slip and Fall	4	Property & Casualty - Other	274
		Other	55



FY 2013 Case Types Received

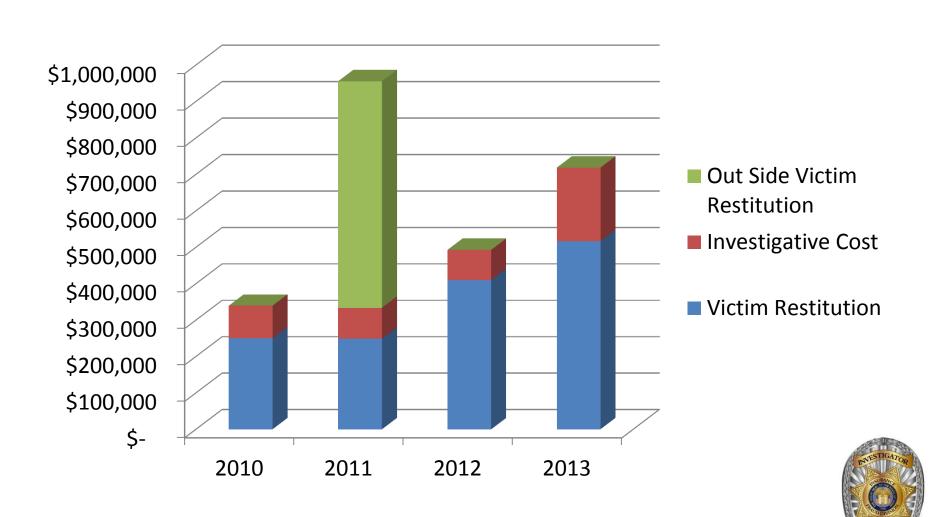


FY 2013 Charges Filed





FY 2013 Restitution Recovery



Current Trends

- Insurance Agent Fraud
- False Auto Glass Claims Sales Agent Fraud
- Staged Auto Accidents
- Past Posting Claims
- Health Care Fraud



Agent Fraud – Identity Theft

- Using SSN and Birth Dates
 of prior applicants to obtain
 better credit scores for new
 applicants
- Increase new customers
- Qualify for bonuses
- Remove false person after policy obtained

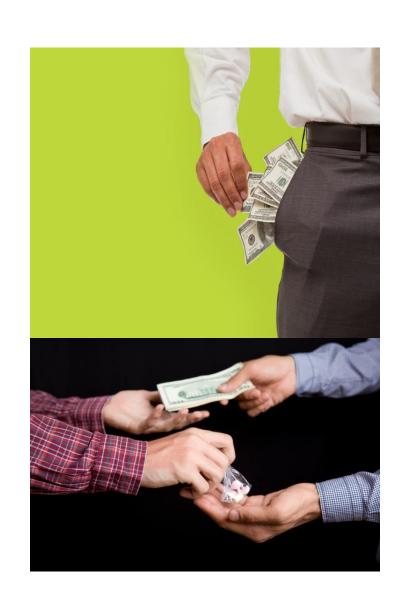




Pocketing Premiums

- State vs. Rodgers
 - Commercial Liability
 - \$22,500 Restitution

- Pled Guilty (3) 2nd Felonies
 and (2) 3rd Felonies
- Concurrent 1-15 yearsPrison
- Remanded Forthwith



Pocketing Premiums

- State vs. Kelling
 - 50 years family business
 - Commercial Liability
 - Auto Coverage
 - \$86,000 Restitution
 - Still identifying victims





Agent Fraud – Fictitious Policies

- State vs. Kartchner
 - Created FalsePolicies
 - Collected Undue Commissions
 - Farmer Bureau
 - **\$** 56,000





Agent Fraud - Forgery/Theft

- State vs. Mijares
- Created False Documents to Reduce Insured Premiums



- Altered Insured Cancellations to Obtain Refund – Kept by Mijares
- Farmers Insurance
- \$ 42,000



Cross Boarder Sales

Example

- Selling Nevada Annuities to
 Utah Residents
- Listing PO Box as ResidentAddress
- Using Alternative ID Forms on Application
- \$150,000 Restitution





False Insurance Sales

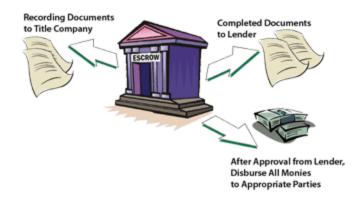
- State vs. Brady
- \$479,123 Total Loss
- 82 Victims



Brady sold home warranties to new home buyers during the closing process. Issued false certificates of insurance from a company that did not exist but was similar in name to a real company. No coverage was provided.

Escrow Agent Case

- State vs. Blake
 - \$800,000 loss



Blake kept closing money and did not pay off buyers old accounts. Placed money in personal account. Fabricated documents to provide buyer evidence loans had been paid.



Inflated Loss Collusion

- State vs. McFarland
- \$6,000 Loss



McFarland inflated value of vehicle for a friend involved in an accident. Payout larger than vehicle loan value. Had two checks issued. Owner gave McFarland some of the proceeds from the fraud.

Claims Adjuster Fraud

- State vs. Phillips
 - Accident claims adjuster.



- Created false additional damage estimates for auto vs. animal accidents.
- Had payment checks made to her husband.
- Had payment checks sent to her home address.
- \$23,963 loss.



Staged Accident Prevention

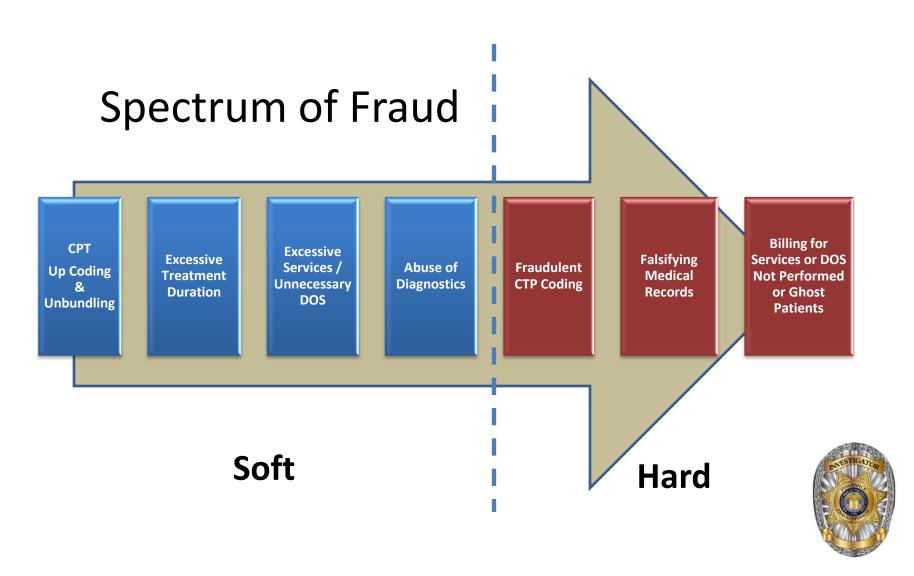
- Inspect Vehicles at Policy Inception
- Obtain Positive Identification
- Obtain Proof of Ownership





Soft Fraud vs. Hard Fraud

Where do you draw the line?



Billing Services Not Provided/Altering Medical Records





Victims: EMI, PEHP, Medicaid -

\$44,000





Billing Services Not Rendered/Forgery



State vs. Penegar PEHP \$17,000



Falsely Listing Boyfriend as Spouse

- State vs. Strickland
 - Cambia, Altius,
 Select Health
 - Total Loss: \$30,000





Faked Injuries/Finance Fraud

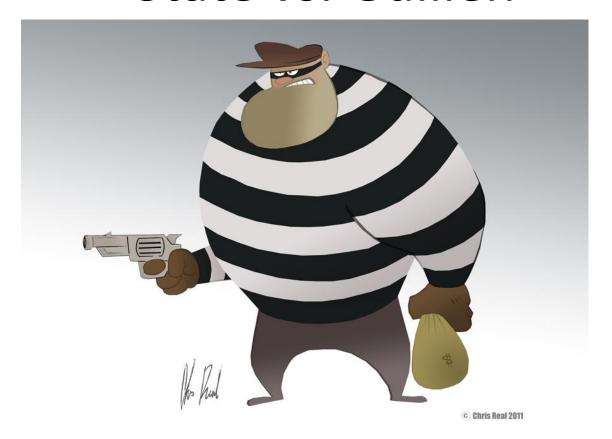
- State vs. Brown
 - Emergency Room Visits
 - Paid with Bad Checks
 - GEICO, Farmers, IMC
 - Total Loss: \$57,000







State vs. Guillen



State Farm Insurance \$48,000



WC Death Benefits after Re-Marriage



- State vs. Perry
- Trans America Life
- Total Loss: \$60,000





State vs. Christensen



AAA Insurance \$42,000



False Auto Glass Claims/Identity Theft

- State vs. Crose/Precise
 Auto Glass
 - 100's of false claims
 - Impersonated the Insured
 - Farmers, American
 Family, Farm Bureau
 - Total Loss: \$6,000





Staged Vehicle Burglaries/Thefts

- State vs. Sullivan
 - Allstate, Homesite,
 Safeware, Allianz, IDS,
 Travel Insured, Tru Travel,
 Old Republic, Travel Guard,
 CSA, Tripmate, AMEX
 - Attempted Theft \$107,000
- Obtained \$68,000
- Convicted 26 Felonies



Staged Vehicle Theft - Owner Give Up



State vs. the Ervins * Farmers * \$18,300



Staged Auto Theft/Arson



State vs. Lopez American Family Insurance \$3,346



Uninsured Loss/Past Posting

- State vs. Smith
- Water Damage Loss
- Reinstated Insurance then filed claim
- Allstate
- Total Loss: \$36,500



Staged Burglaries/Hurricane Damage

- State vs. Jhamb
- Alta New Jersey
- Allstate, Selective Insurance, Metlife, Veri Claim
- Total Loss: \$160,000



False Auto Damage Circumstances





- State vs. Ngoyi & Warner
- GEICO
- Total Loss: \$16,000



Questions / Contact Information

Utah Insurance Department Fraud Division

230 South 500 East, Suite 170
Salt Lake City, Utah 84201
801-531-5380

www.ifd.utah.gov

